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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2023. (U39M)

Application 21-06-021

CITATION CORRECTION

Dated November 17, 2021, at San Francisco, California.

/s/ REGINA DEANGELIS
Regina DeAngelis
Administrative Law Judge

From: DeAngelis, Regina <regina.deangelis@cpuc.ca.gov> ; **Sent:** Wednesday, November 17, 2021 12:22 PM; **To:** Tad.G@CommLegal.org; JPF@FloomEnergyLaw.com; John@JohnCoffman.net; JVAllen@SouthernCo.com; JSchlesinger@KeyesFox.com; Chief@FEITAboe.com; EHenry@SoCalGas.com; NPedersen@HanMor.com; Russell.Archer@sce.com; DJ0Conklin@earthlink.net; SLCohen@SDGE.com; AGraf@AdamsBroadwell.com; Obiora, Noel <noel.obiora@cpuc.ca.gov>; hayley@turn.org; Luke@UtilityAdvocates.org; Mary.Gandesbery@pge.com; NSheriff@Buchalter.com; NSheriff@Buchalter.com; BCragg@GoodinMacBride.com; MDay@GoodinMacBride.com; SteveGreenwald@dwt.com; SteveGreenwald@dwt.com; Berlin@SusieBerlinLaw.com; KJohnston@cbbf.com; AVMQ@pge.com; Assar, Amardeep <Amardeep.Assar@cpuc.ca.gov>; brandon.cager@smud.org; RegRelCPUCCases@pge.com; jcdt@pge.com; DAzevedo@AARP.org; greiss@veritionfund.com; Hannah.Keller@pge.com; james.bartlett@rockpointgs.com; Jim.L@CommLegal.org; stoops@braunlegal.com; Joy.Mastache@smud.org; smith@braunlegal.com; lauren.hudson@pge.com; M2OX@pge.com; psaxton@energy.state.ca.us; prachi@nationaldiversitycoalition.org; REKN@pge.com; shawndai@cal-cca.org; Tomislav.Fischbach@smud.org; DWTcpucDockets@dwt.com; mrw@mrwassoc.com; regulatory@cal-cca.org; GRC@PGE.com; Ike.Gibbs@Citadel.com; ja@verticalresearchpartners.com; kwp@floomenergylaw.com; SJP@FloomEnergyLaw.com; CPUCdockets@eq-research.com; JBoehme@SouthernCo.com; Damon.Suter@Citadel.com; Brett.Bingham@Macquarie.com; Ishwar.Saini@Macquarie.com; Nguyen, Danny <Danny.Nguyen@cpuc.ca.gov>; Kyo, Richard <richard.kyo@cpuc.ca.gov>; Klatt@EnergyAttorney.com; Douglass@EnergyAttorney.com; scegrc@sce.com; Douglas.Snow@sce.com; JWMitchell@MBarTek.com; DCheng@TURN.org; John.Leslie@dentons.com; CentralFiles@SempraUtilities.com; Michael@VisaliaLawyers.com; RKoss@AdamsBroadwell.com; RobertEarle.sf@gmail.com; Lee, Diana <diana.lee@cpuc.ca.gov>; Bach, Alan <Alan.Bach@cpuc.ca.gov>; Younes, Amin <Amin.Younes@cpuc.ca.gov>; Yang, Anna <Anna.Yang@cpuc.ca.gov>; Tseng, Arthur <Arthur.Tseng@cpuc.ca.gov>; Velasquez, Carlos A. <carlos.velasquez@cpuc.ca.gov>; Lukins, Chloe <chloe.lukins@cpuc.ca.gov>; Parkes, Christopher <christopher.parkes@cpuc.ca.gov>; Matthews, David <David.Matthews@cpuc.ca.gov>; Zizmor, David <David.Zizmor@cpuc.ca.gov>; Long, Douglas <Douglas.Long@cpuc.ca.gov>; Ginsburg, Emily <Emily.Ginsburg@cpuc.ca.gov>; Ford-Stille, Hannah <Hannah.Ford-Stille@cpuc.ca.gov>; Spencer, Jean <Jean.Spencer@cpuc.ca.gov>; Bromson, Jonathan <jonathan.bromson@cpuc.ca.gov>; Steingass, Joyce <Joyce.Steingass@cpuc.ca.gov>; Enis, Julian <Julian.Enis@cpuc.ca.gov>; Rahman, Junaid <junaid.rahman@cpuc.ca.gov>; Flaherty, Kevin <Kevin.Flaherty@cpuc.ca.gov>; Martin, Laura A. <laura.martin@cpuc.ca.gov>; Divina, Marianne <Marianne.Divina@cpuc.ca.gov>; Ghadessi, Maryam <maryam.ghadessi@cpuc.ca.gov>; Ang, Marybelle <Marybelle.Ang@cpuc.ca.gov>; Gordon, Miles <Miles.Gordon@cpuc.ca.gov>; Hawkins, Nora <Nora.Hawkins@cpuc.ca.gov>; DeAngelis, Regina <regina.deangelis@cpuc.ca.gov>; Guild, Renee <Renee.Guild@cpuc.ca.gov>; Khoe, Richard <Richard.Khoe@cpuc.ca.gov>; Pocta, Robert M. <robert.pocta@cpuc.ca.gov>; Purchia, Robyn <Robyn.Purchia@cpuc.ca.gov>; Andresen, Ryan <Ryan.Andresen@cpuc.ca.gov>; Thomas, Sarah R. <sarah.thomas@cpuc.ca.gov>; Logan, Scott <scott.logan@cpuc.ca.gov>; Simon, Sean A. <sean.simon@cpuc.ca.gov>; Shek, Selina <selina.shek@cpuc.ca.gov>; Godfrey, Tamera <tamera.godfrey@cpuc.ca.gov>; Roberts, Thomas <thomas.roberts@cpuc.ca.gov>; Burns, Truman L. <truman.burns@cpuc.ca.gov>; Baldwin, Vanessa <vanessa.baldwin@cpuc.ca.gov>; Al-Mukdad, Wendy <wendy.al-mukdad@cpuc.ca.gov>; CStough@turn.org; EBorden@turn.org; KMorsony@turn.org; Marcel@turn.org; tlong@turn.org; James@UtilityAdvocates.org; JKantor@KeyesFox.com; LMcKenna@KeyesFox.com; Ben.Ellis@pge.com; Charles.Middlekauff@pge.com; ECommitments@pge.com; G4MR@pge.com; Gregory.Holisko@PGE.com; JSherman@HansonBidgett.com; karen.alcantara@pge.com; peter.ouborg@pge.com; s9pa@pge.com;

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Subject: CITATION CORRECTION: A.21-06-021 (PG&E TY 2023 GRC) Email Ruling Denying PG&E Motion
to Supplement Prepared Testimony

CITATION CORRECTION

To Service List A.21-06-021:

Please note that the *subject line* of the email ruling below included an incorrect proceeding number. This email serves to correct that error in the *subject line* by changing the incorrect proceeding number, R.21-06-021, to the correct proceeding number, A.21-06-021.

Thank you.

The docket office shall file this correction.

Regina M. DeAngelis
Administrative Law Judge
California Public Utilities Commission
regina.deangelis@cpuc.ca.gov

pronouns: she/her/hers

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Subject: R.21-06-021 (PG&E TY 2023 GRC) Email Ruling Denying PG&E Motion to Supplement Prepared Testimony

To Service List for A.21-06-021:

This email ruling responds to the October 8, 2021 motion by Pacific Gas and Electric Company (PG&E) seeking permission to supplement its prepared testimony submitted with its Application on June 30, 2021. The Utility Reform Network (TURN) timely filed a response on October 25, 2021 opposing the motion. For the reasons set forth below, PG&E's motion is denied.

PG&E states that submitting this supplementary testimony now is important and relevant to this proceeding. According to PG&E, this supplemental testimony addresses two topics, which PG&E describes as follows: "The first is PG&E's proposal for a mechanism to allow substantial capital accounting policy changes within the 2023 General Rate Case (GRC) cycle that would provide rate reductions to customers in a timely manner. The second is PG&E's proposal to revise the Transportation Electrification Balancing Account (TEBA) to establish two new two-way subaccounts to record and recover costs of electric distribution capacity additions and new interconnection requests to account for the potential rapid growth in Electric Vehicle (EV) adoption and the resulting need for electric infrastructure to support EV charging. The two-way balancing account would provide adequate funding of EV infrastructure if adoption accelerates beyond the assumptions used in the GRC forecast." (PG&E October 8, 2021 Motion at 1, fn. omitted.)

In TURN's response in opposition to PG&E's motion, TURN states that PG&E fails to demonstrate the necessity of adding these two new requests to this general rate case now, when the proceeding is well underway, and that granting PG&E's request under these circumstances would open the door to similar ill-timed, add-on general rate case proposals in this and other proceedings, unfairly burdening intervenors, such as TURN. (TURN October 25, 2021 Response at 1.) TURN's explains, as follows: "PG&E seeks a highly unusual accommodation: to add two entirely new proposals to its GRC request, more than three months into the proceeding. PG&E's motion is striking in its omission of any explanation of this delay. PG&E neither acknowledges the rarity of seeking to expand its GRC request in this regard, nor explains why it did not include these proposals in its GRC application." (TURN October 25, 2021 Response at 2.) TURN further states that PG&E has other procedural vehicles to seek modification of a general rate case decision under the Commission's Rules of Practice and Procedure, Rule 16.4 (Petition for Modification), should new issues or changed circumstances arise before the next general rate case. (TURN October 25, 2021 Response at 1.) As a result, TURN concludes, no reason exists to permit PG&E to add non-time sensitive issues that it could have included in its June 30, 2021 Application. (TURN October 25, 2021 Response at 1.)

PG&E's motion is denied.

Neither of the issues proposed are time-critical and both issues can be addressed later in another proceeding, such as a separate application proceeding or a petition for modification. Moreover, the issues appear sufficiently complex that inserting them into this proceeding now, four months after proceeding was initiated, would unduly burden the in-process analysis by the parties of PG&E's June 30, 2021

Application and prepared testimony. More specifically, PG&E's first issue, which is a proposal to "convert" the ratemaking treatment of costs conventionally "expensed," i.e., recovered in full in a single year's revenue requirement, to "capitalized," i.e., spread over multiple years, may result in added cost to ratepayers, such as the rate of return or other carrying charges. This issue would unreasonably expand the proceeding when parties have already committed time, over four months, and expense to planning case management for this large, complicated proceeding. Contrary to the suggestion by PG&E, PG&E's motion is not simply supplementing existing testimony.

Similarly, PG&E's second issue, which is a proposal to revise its existing Transportation Electrification Balancing Account within the constraints imposed by Public Utilities Code § 740.19(a), a statute that PG&E claims prohibits the Commission from authorizing projects and funding of electrical distribution infrastructure located on the utility side of the customer meter needed to charge electric vehicles outside of the general rate case process. It is not clear how this statutory provision would allow the creation of a balancing account without first approving the scope of the project and a best available forecast of the proposed projects. Upon initial review, it is also unclear how PG&E's proposal is consistent with the statute. PG&E does not resolve this matter in its motion.

To conclude, the issues presented by PG&E are complex and may create undue burdens on parties if added at this point in the proceeding, almost four months after the date when PG&E filed its Application and prepared testimony and, as a result, may also unduly disrupt the adopted schedule for the proceeding and the timely resolution of this case. Moreover, alternative procedural vehicles exist at the Commission to provide PG&E with timely consideration of these issues.

IT IS SO RULED: PG&E's October 11, 2021 Motion for Permission to Submit Supplemental Testimony is denied. PG&E may rely on another procedural vehicle, such as a separate application or applications, for Commission consideration of these two issues, provided that such filings are otherwise consistent with the Commission's directives.

The docket office shall formally file this ruling.

Regina M. DeAngelis
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pronouns: she/her/hers

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